(b) In order to enhance the energy security of the country and to safeguard against short term supply disruptions, Government have approved setting up of 5 Million Metric Tonnes (MMT) strategic storage of crude oil at three locations, *viz.* Vizag (1.0 MMT), Mangalore (1.5 MMT) and Padur, Udipi (2.5 MMT). This project is likely to be completed by the end of Eleventh Five Year Plan. The Government ,is planning to further enhance its strategic reserve capacity to 15 MMT in the next phase.

Adulteration of Petrol/Diesel

1014. DR. GYAN PRAKASH P1LANIA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the specific recommendations contained in 123rd report of Rajya Sabha Committee on Petitions;

(b) the follow-up action taken thereon;

(c) the steps taken to check adulteration of Petrol/Diesel, and unauthorized utilizatipn of Kerosene/LPG;

(d) the number of offenders punished with imprisonment for above malpractices, during last three years; and

(e) the estimate of revenue loss due to flourishing adulteration trade?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) 123rd Report of the Committee on Petitions of Rajya Sabha is regarding legislative and other measures to check adulteration of petrol/diesel and other malpractices at Retail Outlets (ROs); Benami operations of ROs of Petrol/Diesel allotted to the reserved categories, particularly, Scheduled Castes/Scheduled Tribes and physically handicapped persons and Dhabas near petrol pumps along National Highways and action on some other related matters. The recommendations of the Committee are contained in the Report which has already been presented in the Rajya Sabha on 11.08.2005. The complete Action Taken Report of this Ministry on the observations and recommendations of the Committee is available with the Rajya Sabha Secretariat.

(c) The possibility of adulteration of Petrol/Diesel, black marketing of Kerosene and Liquefied Petroleum Gas (LPG) by some unscrupulous elements cannot be ruled out due to huge price difference between petrol/diesel and various adulterants available in the market and the easy miscibility of kerosene with petrol/diesel.

To check adulteration in auto fuels and diversion of PDS Kerosene, Government has asked Oil Marketing Companies (OMCs) to take various steps to contain the menace of adulteration:-

(i) Under the Control Orders issued by the Government to prevent fuel adulteration, under the Essential Commodities Act, 1955, State Governments are empowered to take action against those indulging in adulteration. Government have requested the State Governments/ Union Territory Administrations to take steps to control adulteration.

(ii) OMCs undertake regular and surprise inspections of Retail Outlets and also take action under Marketing Discipline Guidelines (MDG) and Dealership Agreements against those indulging in adulteration and malpractices. MDG provide for termination of dealership in cases of adulteration being established.

(iii) Government has taken the initiatives to expedite the installation of Global Positioning System (GPS) to monitor the movement of tank trucks.

(iv) OMCs have introduced new tamper proof tank-truck locking systems to prevent en-route adulteration by transporters.

(v) Keeping in view the misuse/diversion of SKO for adulteration, the import of SKO by private parties has been canalized through OMCs.

(vi) As advised by the Government, Oil Marketing. Companies (OMCs) have created a separate wing to report to a Director other than Director (Marketing), which will oversee and monitor all activities and operations to curb adulteration and specify norms and guidelines in this regard.

In order to check adulteration the Government has recently taken a number of additional initiatives which are given in the Statement. *[Refer to the Statement Appended to the Answer to USQ 1011 Part (b) and (c)]*

In order to check the black marketing of Public Distribution System (PDS) kerosene, the Central Government have made provisions in the Kerosene (Restriction on Use and Fixation of Ceiling Price) Order, 1993, issued under the Essential Commodities Act, 1955, that dealers cannot sell PDS kerosene at a price higher than the price fixed by the Government or OMCs and that the PDS kerosene dealers should prominently display stock-cum-price board at the place of business including the place of store at a conspicuous place.

The following measures have been taken to prevent the diversion/black marketing of domestic LPG cylinders for commercial purposes:

(i) Under the LPG (Regulation of Supply and Distribution) Order, 2000 promulgated under the Essential Commodities Act, 1955 the diversion/black marketing of domestic LPG cylinders for commercial purposes by the distributors of public sector OMCs is prohibited. The State Governments are empowered to take action against erring distributors under the provisions of this Order. The State Governments have been alerted from time to time to take steps against the diversion of domestic cylinders for unauthorized usage.

(ii) The officials of public sector OMCs carry out random checks at distributors godown, delivery point, as well as en-route to ensure that no diversion/black marketing takes place. As per the MDG in case established cases of diversion/black marketing of domestic LPG cylinder for commercial purposes, the following action is taken against the distributor.

(a) Fine of Rs. 20,000 plus the price of LPG diverted at commercial rates for 1st offence.

(b) Fine of Rs 50,000 plus the price of LPG diverted at commercial rates for 2nd offence, and

(c) Termination of the distributorship for 3rd offence.

(iii) Government have issued advertisements cautioning the public that use of domestic LPG for non-domestic purposes is illegal, dangerous and against national interest. Through these advertisements, cooperation of the general public has also been sought to report any irregularity/ malpractice to the OMCs.

(iv) Government have advised OMCs to introduce different colours for domestic and non-domestic cylinders. This is also expected to help in controlling the diversion of domestic LPG for unauthorized use.

In respect of benami operations and dhabas near petrol pumps, OMCs have instructed their field staff to strictly monitor such cases and incorporate remarks in the inspection report. Special vigilance would be kept on ROs of suspected benami operations with a view to identify the same and take corrective action.

OMCs have launched structured training programmes for SC/ST candidates which would also include training at COCOs and at some high selling ROs to make them aware of their responsibility towards proper functioning of dealership as per Dealership Agreement, MDG etc.

OMCs are encouraging non-fuel initiatives to supplement the income of the dealers by improving the customer service by putting up facilities like Dhabas etc, wherever possible.

(d) The OMCs take action against the dealers found indulging in malpractices as per Marketing Discipline Guidelines (MDG)/Dealership Agreement. The State Governments are also empowered to take legal action against such dealers under the Essential Commodities Act, 1955, which includes imprisonment. Details of number of offenders punished with imprisonment for above malpractices during the last three years are being collected from the States/UTs and will be laid on the table of the house.

(e) While, as per a study conducted by the National Council of Applied Economic Research to assess the genuine demand and requirement of kerosene, siphoning off of kerosene from PDS to non-household use is estimated at 18.1 per cent of total sale of PDS kerosene, no estimation of loss to the exchequer on account of adulteration in petrol and diesel is available.

Request of CITU to reduce the tax rates on petroleum products

1015. SHRIMATI HEMA MALINI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Centre for Indian Trade Union (CITU) has demanded for decrease in tax rates on petroleum products since Indian consumers are required to pay highest price for petrol; and

(b) if so, the reaction of Government thereon with details thereof?